

Message Text

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ACTION ARA-14

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FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 852

INFO AMEMBASSY LIMA

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

USCINCSO QUARRY HEIGHTS J-2 CZ

SECDEF WASHDC

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EO 11652: NA

TAGS: PINT, BL

SUBJECT: VICTOR PAZ RETURNS TO BOLIVIA

1. SUMMARY: FORMER PRESIDENT VICTOR PAZ ESTENSSORO RETURNED TO BOLIVIA MAY 18 AND WAS WELCOMED AT THE DOWNTOWN PLAZA GARITA DE LIMA BY THE LARGEST CROWD SEEN IN LA PAZ DURING THE ELECTION CAMPAIGN. PAZ GAVE AN ELOQUENT, BUT CAREFULLY WORDED, SPEECH TO SOME 7-10 THOUSAND ONLOOKERS LEAVING HIMSELF COMPLETE LEEWAY AS TO WHICH CANDIDATE HE WOULD SUPPORT FOR PRESIDENT. HE GAVE NO HINT WHETHER HE WOULD BE A CANDIDATE HIMSELF, BUT HE TOLD REPORTERS AT THE AIRPORT THAT THIS WOULD BE DECIDED AT THE MNR CONVENTION WHICH BEGINS MAY 22. TERMING HIMSELF A MEMBER OF THE QUOTE OPPOSITION UNQUOTE PAZ WARNED AT THE SAME TIME THAT THE BOLIVIAN ARMED FORCES ARE A POLITICAL REALITY AND A DIVISION BETWEEN CIVILIANS AND THE MILITARY SHOULD NOT BE CREATED. THE EMBASSY IS AWARE FROM VARIOUS SOURCES THAT PAZ IS IN COMMUNICATION WITH ALL FOUR OF THE BOLIVIAN PRESIDENTIAL CANDIDATES AND HAS INDICATED TO AT LEAST

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JUAN PEREDA AND HERNAN SILES ZUAZO THE TERMS UNDER WHICH HE WOULD CONSIDER GIVING THEM HIS SUPPORT. ONLY PAZ, HOWEVER, KNOWS WHERE HE ULTIMATELY INTENDS TO THROW HIS STILL CONSIDERABLE POLITICAL WEIGHT. END SUMMARY.

2. FORMER PRESIDENT VICTOR PAZ ESTENSSORO RETURNED TO BOLIVIA MAY 18 AFTER AN ABSENCE OF OVER FOUR YEARS FROM BOLIVIA. PAZ WAS

WELCOMED AT LA PAZ AIRPORT BY LEADERS OF HIS OWN FACTION OF THE MNR AND WALTER GUEVARA'S PRA, WITH WHICH HE IS ALLIED. EH THEN LED A MOTORCADE DOWN TO THE CITY WHERE SOME 7-10,000 SUPPORTERS, THE LARGEST POLITICAL CONCENTRATION IN LA PAZ THIS YEAR, AWAITED HIM.

3. IN HIS 25 MINUTE SPEECH AND IN HIS REMARKS TO THE PRESS, PAZ VAGUELY DESCRIBED HIMSELF AS A MEMBER OF THE "OPPOSITION", BUT HE REFRAINED FROM ATTACKING THE MILITARY. HE SAID THEY ARE A REALITY OF POWER IN BOLIVIA TODAY, AS INDICATED BY THE PRESENCE OF THREE MILITARY CANDIDATES FOR PRESIDENT, AND HE WARNED AGAINST TRYING TO SPLIT THE CIVILIAN SECTOR FROM THE MILITARY. INSTEAD REVOLUTIONARY NATIONALISTS (PRESUMABLY INCLUDING THE MILITARY) MUST BE SEPARATED FROM PEOPLE ALLIED WITH ECONOMIC INTEREST AND PRIVILEGE. PAZ ADDED THAT THE RENEWAL OF THE NATIONAL REVOLUTION MEANS CAPITALIZING ON RATHER THAN DESTROYING THE PROGRESS MADE SINCE HIS OVERTHROW IN 1964.

4. RE THE POSSIBILITY OF HIS OWN PRESIDENTIAL CANDIDACY PAZ TOLD REPORTERS AT THE AIRPORT THAT THIS WOULD DEPEND ON THE WISHES OF THE MNR CONVENTION DUE TO OPEN MAY 22 AND CONDITIONS IN THE COUNTRY.

5. PAZ ALSO MADE THESE POINTS:

A. THE REUNIFICATION OF THE MNR IS DESIRED BY THE RANK AND FILE LIMITED OFFICIAL USE

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OF ALL THE MNR FACTIONS AND THIS HAS LED HIM TO DECIDE TO RETURN TO BOLIVIA AND BECOME ACTIVE AGAIN IN POLITICS (THE SAME DAY SILES ZUAZO TOLD A CROWD IN POTOSI THAT HE HAD SENT A COMMISSION TO REPRESENT HIM AT THE RECEPTION FOR VICTOR PAZ AND THAT HE IS HOPEFUL THAT THE MNR CAN BE REUNITED ALTHOUGH JUAN LECHIN, LEADER OF THE PRIN, IS NOT DISPOSED TO JOIN IN A REUNITED MNR.

B. HE HAD JOINED WITH BANZER TO OVERTHROW GEN TORRES IN 1971 BECAUSE THE COUNTRY WAS IN A PERIOD OF CHAOS AND HE THOUGHT IT WAS POSSIBLE TO FORM A GOVERNMENT BASED ON THE ARMED FORCES.

C. HE LATER BROKE WITH BANZER BECAUSE (1) CERTAIN ECONOMIC INTERESTS, INCLUDING THE MEDIUM MINERS, HAD BECOME TOO POWERFUL; (2) FOLLOWING THE PINOCHET COUP IN CHILE, BANZER HAD ALLOWED "SECRET AGENTS" FROM CHILE TO ENTER BOLIVIA.

D. BOLIVIA HAS REACHED ITS CAPACITY TO TAKE ON EXTERNAL DEBT AND A LARGE PART OF THE LAST LOAN OF 150 MILLION WAS USED MAINLY TO SERVICE PREVIOUS LOANS. THE NEW GOVERNMENT WILL HAVE TO FACE SERIOUS PROBLEMS PARTICULARLY ECONOMIC PROBLEMS.

E. THE DECISION TO CLOSE THE UNIVERSIRTY OF SAN ANDRES WAS
A MISTAKE.

F. THE SUGGESTION THAT HE MAY BE A CANDIDATE FOR SECRETARY-
GENERAL OF THE OAS IS PURE SPECULATION.

G. "MILITARISM HAS ENTERED INTO A PERIOD OF DECLINE IN ALL
LATIN AMERICA" DUE "IN GREAT PART" TO PRESSURE FROM THE U.S.

6. COMMENT: VICTOR PAZ, AS DEMONSTRATED BY THE LARGE AND, BY
BOLIVIAN STANDARDS, ENTHUSIASTIC RECEPTION FOR HIM IS CLEARLY
STILL A MAJOR POLITICAL FORCE IN THIS COUNTRY. HIS STRATEGY
UNTIL NOW HAS BEEN TO LET HIS PEOPLE HERE NEGOTIATE BUT TO
KEEP ALL OPTIONS OPEN PENDING HIS RETURN. IN CONVERSATIONS
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WITH EMBASSY OFFICERS, SENIOR MEMBERS OF PEREDA'S CAMPAIGN
STAFF CLAIM THAT PAZ HAS CONVEYED TO PEREDA WILLINGNESS
TO CONSIDER SUPPORTING HIM IN EXCHANGE FOR 40
PERCENT OF HIS GOVERNMENT AND CONCURRENCE IN PEREDA'S VICE
PRESIDENTIAL CANDIDATE. WE ALSO UNDERSTAND THAT PAZ HAS MADE A
SIMILAR OFFER TO SILES ZUAZO. WE KNOW THAT PAZ' FOLLOWERS
ALSO HAVE BEEN IN CONTACT WITH CANDIDATES RENE BERNAL AND
JOSE PATINO. AT THIS MOMENT ONLY PAZ HIMSELF APPEARS TO KNOW
HIS REAL INTENTIONS AND HOW HE INTENDS TO USE HIS STILL
CONSIDERABLE POLITICAL WEIGHT IN BOLIVIA.
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